

WANDSWORTH BOROUGH COUNCILHOUSING AND REGENERATION OVERVIEW AND SCRUTINY COMMITTEE –
21ST JANUARY 2015EXECUTIVE – 26TH JANUARY 2015COMMUNITY SERVICES OVERVIEW AND SCRUTINY COMMITTEE – 10TH FEBRUARY
2015GENERAL PURPOSES COMMITTEE – 19TH FEBRUARY 2015EXECUTIVE – 23RD FEBRUARY 2015

Report by the Director of Housing and Community Services on the regeneration project for the Winstanley/York Road Estate, SW11 (Latchmere)

SUMMARY

This report provides an update on progress with development of the improvement and regeneration programme for York Road and Winstanley Estates. The programme aims to provide new high quality housing for local residents of the estates, new housing and greater housing choice for residents of the Borough, a new high quality neighbourhood which is safe, thriving and links effectively into the wider Battersea area incorporating new leisure facilities, a new park, a new library and a range of community facilities to serve the area for generations to come. The project has now reached a key point in its development and this report seeks endorsement for strategic decisions to deliver the next stage of the programme.

In particular this report sets out the recommended approach to selecting partners to assist the Council in the delivery of this scheme and sets out the recommended legal and commercial structure under which the Council will seek to contract with any selected partners. Approval is then subsequently sought to commence the procurement process.

The report also makes further recommendations considered necessary to progress the scheme to ensure continued residents support and reassurance about the plans being developed.

The attached plan at Appendix 2 identifies the regeneration area.

A separate report will be submitted to the Community Services and General Purposes OSC to address the staffing issues connected to the decision to close Battersea Sports Centre.

The Director of Finance comments that there are a number of interests in properties within the Winstanley and York Road regeneration area that need to be acquired before the scheme can progress. These will be purchased firstly through voluntary buy backs but may require the use

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of Compulsory Purchase Order powers. Based on the estimate of likely purchases concluded through voluntary buy backs it is now proposed to establish significant capital budgets of £9.5 million per annum in both 2015/16 and 2016/17 in relation to this scheme for which Housing Revenue Account budget variations are recommended for approval. The proposed closure of Battersea Sports Centre in Hope Street is on the basis of alternative facilities being provided or being available within the locality. This will include re-provision of a new artificial pitch with changing rooms and flood lighting in Falcon Park which will require a general fund capital budget variation of £1.3m which is included in the capital bids report to the January FCROSC. The proposed closure of the centre will require approval of a negative General Fund revenue budget variation of £100,000 from 2016/17.

GLOSSARY

BSC	Battersea Sports Centre
CHESS	Community Health Environment Scan Survey (CHESS)
CPO	Compulsory Purchase Order
EIA	Equalities Impact Assessment
FCROSC	Finance and Corporate Resources Overview and Scrutiny Committee
FTE	Full Time Equivalent
GF	General Fund
GLA	Greater London Authority
HCA	Housing and Communities Agency
HRA	Housing Revenue Account
JV	Joint Venture
OJEU	Official Journal of European Union
PPD	Planning Parameters Document
TfL	Transport for London

RECOMMENDATIONS

1. The Housing and Regeneration Overview and Scrutiny Committee are recommended to support the recommendations in paragraph 3 (a) – (j) and (l). The Community Services Overview and Scrutiny Committee are recommended to support the recommendations in paragraphs 3(k) and 4. If they approve any views, comments or additional recommendations on this report these will be submitted to the appropriate Executive for consideration.
2. The General Purposes Committee are recommended to:-
 - (a) agree that the temporary post of Project Manager for the Winstanley and York Road Regeneration scheme within the Housing Regeneration Team be made permanent in order to assist in the further implementation of the project as set out in paragraphs 87- 89.
 - (b) approve the deletion of 5 FTE posts and 9 casual staff being made redundant from Battersea Sports Centre, as detailed in paragraph 99.
3. The Executive of 26th January 2015 is recommended to:-

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- (a) note the Planning Parameters Document produced for the Winstanley and York Road regeneration scheme, (for use in the development partner selection process and as a material consideration for development control purposes to the extent explained in paragraphs 25 to 27), endorse the further development work undertaken to the preferred option and attached as Appendix 1 and note that this will form the basis of the scheme for which the Council will seek to secure a development partner;
- (b) approve the commencement of a competitive public procurement process to be advertised by a contract notice published in the Official Journal of the European Union (OJEU) to select a development partner to work with the Council through a Joint Venture arrangement to deliver the Winstanley and York Road regeneration scheme;
- (c) delegate the development, approval and management of the public procurement process and of all the procurement and contractual documentation needed to be put in place for the joint venture arrangement to the Director of Housing and Community Services in consultation with the Director of Finance and agree the proposed governance arrangements described in paragraphs 28-41 in order to ensure transparency of process and structured involvement of key stakeholders;
- (d) note and have regard to the relevant key powers for the decision to procure a partner contained within Appendix 7; and
 - (i) approve the undertaking of a design and costing feasibility report to explore the potential to develop the 5 sites identified in paragraphs 46-48, for new housing ahead of and separate to the main partner procurement in recommendation (c); and
 - (ii) note that the new housing will contribute to providing the first phase of affordable re-provision for the Winstanley and York Road regeneration scheme;
- (e) approve the undertaking of design and costing feasibility reports to explore the potential to develop the Grant Road car park sites and the Sendall Court car park site (shown in Appendix 3) for new housing, commercial and community uses ahead of and separate to the main partner procurement process in recommendation;
- (f) agree that a Steering Group of Members be established, as described in paragraph 39(d) to oversee the next phase of implementation of the scheme with their terms of reference being referred to a future meeting of the Executive for approval.
- (g) approve the discretionary voluntary buy back of residential leasehold and freehold interests that are identified as potentially required for redevelopment within the endorsed preferred option, and listed at Appendix 12, noting (i) that these purchases are to be undertaken at market value plus the appropriate Home Loss or Basic Loss payment and paying reasonable incidental expenses (as set out in paragraphs 53-61) and the Winstanley and York Road

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Leaseholders and Freeholders re-housing information booklet (October 2014) (see Appendix 9B); (ii) that incidental costs may also be funded to allow advice on property related matters for affected voluntary and community uses on the site;

- (h) authorise the Director of Housing and Community Services to agree purchases, as described in (f) above, in consultation with the Director of Finance and the Head of Property Services;
- (i) approve the procurement of a panel of legal and valuation firms to provide independent advice to estate owners in line with the Winstanley and York Road Leaseholders and Freeholders rehousing information booklet (October 2014) (see Appendix 9B); and delegate approval of the brief and appointment to the Director of Finance in consultation with the Borough Solicitor and Director of Housing and Community Services;
- (j) authorise the Head of Property Services, in conjunction with the Director of Finance and the Borough Solicitor and Assistant Director of Administration, to conclude terms by negotiation for the acquisition of all non-residential interests in the affected properties identified as required for redevelopment within the endorsed preferred option; and agree that, if it is not possible to agree terms by negotiation, then a further report be brought to consider the case for the use of compulsory purchase powers;
- (k) note the provision to be made as a General Fund capital budget variation of £1.3 million to support the provision of a new artificial grass pitch, flood lighting and changing facilities at Falcon Park, (at the southern end) subject to consultation; and authorise the Head of Property Services to appoint the Finance Department's Design Service to prepare plans and costing reports, manage, procure services and supervise the construction contract and the Housing and Community Services Department's Head of Parks and Leisure Services to seek alternative funding to minimise the cost of this new provision; and
- (l) approve positive Housing Revenue Account capital budget variation of £9.5 million in 2015/16 and 2016/17 for the acquisition of leasehold and freehold interests.

4. The Executive of 23rd February 2015 is recommended to:-

- (a) approve the closure of Battersea Sports Centre during autumn 2015 which will result in the redundancy of 5 fte staff and 9 casual staff, on the basis of the alternative local arrangements available to users of Battersea Sports centre to replace the services provided as detailed in paragraphs 74-80; and
- (b) approve a negative General Fund revenue budget variation of £100,000 in 2016/17 in relation to the closure of Battersea Sports Centre.

BACKGROUND – WINSTANLEY AND YORK ROAD

5. In March 2012, the Executive agreed (Paper No. 12-218) an ambitious programme of

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work to improve the physical environment and raise the aspirations and improve the life chances of those living in the most deprived areas of Latchmere and Roehampton and Putney Heath Wards. In October 2012 (Paper No. 12-645), the Executive agreed the shadow governance arrangements, terms of reference and an outcomes framework for the programme. Provision was also made in the Housing Revenue Account (HRA) business plan to borrow up to £100 million in the future to fund the Council's proposed regeneration programme with this capacity being targeted to support the improvement of the Winstanley and York Road and the Roehampton area schemes.

6. Reports to the Housing and Finance and Corporate Resources Overview and Scrutiny Committees and the Executive in November 2012 (Paper Nos. 12-679 and 12-680) presented findings from initial resident consultation that particularly identified low satisfaction ratings for the general environment of the Winstanley and York Road Estates and with some residential blocks particularly on the York Road Estate. On this basis, the Executive agreed to select a masterplanning team to bring forward a masterplan for Winstanley and York Road Estates.
7. GVA and Levitt Bernstein were selected to produce a masterplan for the Winstanley and York Road Estates and commenced work in June 2013. Further progress reports were provided to the Housing and Finance and Corporate Resources Overview and Scrutiny Committees and the Executive in June (Paper No. 13-376) and to the Housing Overview and Scrutiny Committee and the Executive in November 2013 (Paper No. 13-703) as the plans developed and the scope of the regeneration was defined. Through this period the Council consulted widely on the plans with local residents to ensure that was knowledge and understanding of the proposals.
8. Following an options assessment and consultation process with local stakeholders and residents, a report was presented to the Housing and Finance Corporate Resources Overview and Scrutiny Committees and Executive in March 2014 (Paper No. 14-158). The report endorsed the Preferred Option for development which had developed from the masterplan options process and set targets for the next stage of scheme development.

DEVELOPING THE PREFERRED OPTION

9. The Council has approved a set of strategic objectives for the programme which underpin and are the key deliverables that must be achieved as part of this regeneration. These strategic objectives have been tested, presented and approved, as the Winstanley and York plans have been developed for the two estates (Paper No. 12-679). The Council's key strategic objective is to tackle the range of issues that are contributing to levels of deprivation and lack of opportunities on the Winstanley and York Road estates. Notable in this respect for the masterplan is poor physical environment, lack of connectivity and permeability with the surrounding area and low levels of satisfaction amongst some residents with the housing they live in. The preferred option is intended to deal with these physical challenges but it has been identified that a range of other initiatives are required to improve health and well being and to ensure that an integrated and successful neighbourhood and community is delivered to the benefit of existing and future residents.
10. Behind this strategic aim lie key deliverable and outcome objectives:-

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- (i) create a better quality living environment with a key focus on the two estates but recognising the benefits of improvement that could and need to be achieved in the surrounding area (e.g. improving crossing areas across York Road and tackling the Falcon Road under pass);
 - (ii) improve the design and layout of the neighbourhood;
 - (iii) secure greater permeability through the estate and between the estate and the wider neighbourhood. In particular better linkages and a clear and attractive route through the area between the new properties along the riverside and Clapham Junction;
 - (iv) generate economic growth and new employment opportunities particularly for local residents;
 - (v) improve and diversify the commercial and retail offer in the area and in particular boost the retail offer generally in the area including along Falcon Road;
 - (vi) secure additional housing and promote a greater housing choice for local residents and workers through the provision of intermediate and market housing as well as low cost rented housing;
 - (vii) secure new high quality and high performing housing built to the London Mayor's Design Guide Standards;
 - (viii) address local housing needs and requirements with a particular focus on providing suitable housing for older, disabled and over crowded households;
 - (ix) reduce long term maintenance and running costs for the Council's stock, significantly improve the energy efficiency of the stock and maximise the use of the Council's assets;
 - (x) create through the development and regeneration a strong and coherent sense of place where local residents want to live now and into the future; and
 - (xi) by achieving these objectives realise a thriving and sustainable mixed neighbourhood.
11. The preferred option resulting from the masterplanning work was endorsed by the Council in March 2014 (Paper No. 14-158). As identified in this report further more detailed design and development work has been undertaken to the preferred option. This has included:
- (i) further detail on the range of densities considered acceptable and scenario testing of different tenure options within the development;
 - (ii) outline development proposals for the Grant Road car park sites with a particular focus on these sites providing a more immediate local resident offer of accommodation as well as related environmental and community use improvements;
 - (iii) outline designs for the development of the Bramlands area, including indication of height and density of development in this location, how this accommodation could be developed to secure maximum local residency occupancy and use and moving the bus standing area further away from this key and central area of development and improvement;
 - (iv) further assessment of options for local re-location of the four community stakeholders and interests (Battersea Baptist Church, Church of the Nazarene, Providence House and Thames Christian College);
 - (v) further consideration of the scope of the regeneration and clarifying the importance of maintaining the integrity of the original masterplan vision; and
 - (vi) in turn maintaining a positive dialogue with a range of stakeholders to discuss

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how they might benefit from and in turn support the plans. This has included further dialogue with Wandle Housing association in respect to their land interests in the area and with Ganley Court resident freeholders as to their housing options.

12. The refined preferred option is attached as Appendix 1. The preferred option further identifies the various development zones within the regeneration scheme and an indication of the range of densities and character for each area are explained.
13. In summary these are:
 - (i) Adjoining the station area - a higher density of development with taller buildings, up to 1100 habitable rooms per hectare and a mix of residential commercial and community or cultural uses, creating a vibrant pedestrian zone with retail and restaurant opportunities, creating opportunities for economic development that can provide jobs for local people, and in turn that will spread out to revitalise Falcon Road and through improved links ensure that this area north of the station is an active key component of the town centre.
 - (ii) Within the central residential area - a clear pattern of residential streets, forming landscaped courtyards, with active and overlooked safe and pleasant streets and a pocket park, together with opportunities for local shops, all within a density in the range 550 to 590 habitable rooms per hectare. Heights of buildings designed to ensure good standards of daylight and sunlight to dwellings, amenity spaces and streets, generally the height within the main housing area will be 5 to 6 stories possibly higher towards The Falcons and Griffon Studios, with additional higher elements as markers at critical and key junctions, and with lower elements to the south side of each courtyard.
 - (iii) Adjoining York Road - a cluster of community activities serving the wider neighbourhood and defining a revitalised York Gardens. Higher densities and taller buildings can be considered reflecting the scale of housing development now emerging in the Thames Policy Area.
 - (iv) Along Grant Road - new development providing new homes in place of the underused and potentially unsafe parking areas, homes designed to respect the existing housing, securing and improving the existing courtyards, together with an improved kick about space.
14. The outline scheme proposes the redevelopment of some 706 residential properties (530 social rent, 176 leasehold and freehold), and new development in the range of 2,100 high quality homes. All social rent properties will be replaced within the regeneration and improvement area with the immediate priority being to meet decant requirements with sites bought forward as soon as is practicable to assist with this. Additional affordable properties will also be constructed on identified satellite sites (see paragraphs 46-48), in order to enable the first phase of the development and give options for early re-housing for some residents who want to move. Indications from the housing need survey is that there are a number of tenants who would wish to move earlier and consideration will be given as to how this can be achieved. Commitments will be met in terms of meeting bedsize requirements and it is hoped in turn that this will assist in dealing with housing issues identified during the survey including – relieving overcrowding pressures, giving sons and daughters of existing social renters accommodation options and providing attractive housing options for older tenants wishing to down size.

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15. All resident owners will be offered a property within the new development on terms set out in the Winstanley and York Road Leaseholders and Freeholders rehousing information booklet (October 2014) (see [Appendix 9B](#)). In most cases this will involve offering shared equity arrangements to ensure that accommodation of the same size can be offered that is affordable.
16. An objective of the regeneration will be to offer the maximum level of additional local resident housing offers possible (over and above the replacement affordable housing that will be provided), within the financial constraints and opportunities presented by the regeneration. An additional factor in delivering this objective will be to ensure that the momentum of the regeneration can be maintained over time which will bring its particular challenges as delivery is likely to run over economic cycles. Whilst the actual level and mix of such options that might be achieved will become clearer as the procurement process proceeds and delivery begins the following objectives should be noted in this respect:
 - (a) a focus on maximising local resident and worker housing opportunities including exclusive marketing of all homes developed to Wandsworth residents and workers first;
 - (b) diversifying tenures including the promotion of structured private rent opportunities and forms of market purchase that are more affordable to the average income Wandsworth household (e.g. starter homes for singles and couples);
 - (c) providing the maximum reasonable level of low cost rent market housing where rents are set at 80 per cent or below of the prevailing market rent for the Borough with units targeted to meeting working household needs and requirements. It is envisaged that such housing would be provided in mixed tenure blocks with private rent housing and provide investment opportunities for developers;
 - (d) affordable low cost homeownership opportunities developed and delivered. The first priority would be to develop such offers for existing Council resident leaseholders and freeholders. The second priority would be to develop such forms of housing for local residents including first time buyers and families; and
 - (e) as identified social rent housing will be replaced and any housing not utilised for decant purposes will be let according to the Council's Allocation Scheme. Particular attention will be given as to how such housing can be prioritised for household members of Council residents affected by the changes (e.g. the sons and daughters of Council residents who may be ready to move on) and lower income working households needing to move to alternative accommodation.
17. This balance of tenures will be subject to further financial viability testing as the scheme and the procurement process progress however the following initial baselines have been established:
 - (a) 706 properties demolished;
 - (b) 530 Social Rent properties provided in the regeneration area;
 - (c) 170 Social Rent and decant properties provided on satellite sites;
 - (d) Estimated 109 existing resident leaseholder and freeholder properties provided; and
 - (e) 1,294 additional private for sale, rent and affordable housing properties provided.

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18. As explained previously, this is the proposed outline scheme which the Council will use as part of its suite of documents to tender for a partner to deliver the scheme. These are not definite development proposals but provide the vision, objectives and framework for the long term development and improvement of the estates. The plans may be subject to change as that process, subsequent negotiations with partners and the detailed tasks of implementation and retaining financial viability, progress. However, these are the principles on which the Council will prepare its brief for selection of partners and take forward this development.
19. The skills and experience that a developer partner will bring to this regeneration is necessary to maximise the opportunities presented by this masterplan. However, a key factor in negotiations with and selection of a partner and the nature of that partnership will be the strong position that the Council finds itself in not just as landholder but crucially as investor. The Council's ability to financially invest and borrow to support development will underpin the delivery of objectives.
20. The masterplanning process has identified the importance of including the Ganley Court block and related blocks in improvement plans. An assessment has concluded that retaining Ganley Court and related blocks will have a detrimental effect on the quality and viability of the overall scheme and undermine the overall masterplan principles. Inclusion then is considered crucial in securing the fundamental change aspired to in the scheme and in particular to delivering a re-modelled York Gardens which is practical, safe and with improved accessibility. On this basis an option for early re-provision of the houses at Ganley Court has been further developed and discussed with residents. This dialogue on re-provision will continue and be concluded over the next 6-9 months to give Ganley Court residents assurance as to the Council's willingness to meet their requirements as part of the delivery of this project and programme.
21. Negotiations with Wandle Housing Association concerning Galleons Court have also reached a stage where Officers are confident that final agreement can be secured for the inclusion of Galleons Court within the redevelopment scheme and the plan reflects this.
22. The masterplan is under-pinned by a financial model which has continued to be refined and developed as the plans have moved forward. The financial model has been developed by GVA to test the financial viability of the preferred option subject to a range of development assumptions. The model demonstrates that, subject to the assumptions applied, the preferred option is viable. Various density and delivery scenarios have been modelled and current estimates of development potential set out in the preferred option have been set on the basis of balancing a number of objectives mainly to deliver a better place but also new housing to meet demand and in turn to maximise the resident housing offer. However, until the procurement process is initiated and concluded the plans, in more detail, will continue to be subject change.
23. Soft market testing was undertaken on the emerging plan during the summer of 2014. This indicated a considerable appetite in the development market for working with the Council to undertake this scheme.
24. The developing plans were exhibited to local residents of the estates and the wider

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area in November 2014. This was not a consultation on the updated plans but an information session. However, there was a message from many local residents that the Council should move the scheme forward as quickly as possible.

PLANNING PARAMETERS DOCUMENT

25. A Planning Parameters Document has been prepared (as explained in Paper No. 14-158) to accompany the preferred option. This is not a statutory planning document which the Council as Local Planning Authority is required to adopt but does constitute detailed pre-application planning advice from the Planning Authority. The Council is in discussion with the Greater London Authority and fully expects them to sign up to the PPD in order to provide a co-ordinated message from the public sector concerning the approach to development in this location. The PPD is attached at Appendix 4.
26. The PPD signals that the Council will be preparing Design Codes that will give further detailed guidance on future development particularly in the central residential area. These design codes are intended to ensure that the housing and place delivered is one which meets current and future resident expectations in terms of neighbourhood, immediate environment, private space and home. The PPD will make up one of the bundle of key documents which any developer will need to respond to and address as part of the procurement process to select a delivery partner.
27. Members of the Committee and the Executive are asked to note the PPD in order that these documents can be utilised as part of the selection preferred partner selection process. The Executive is also asked to note that the PPD will be used for development control purposes but recognise that it carries less weight than a Supplementary Planning Document/Development Plan Document.

CONSIDERATION OF DELIVERY OPTIONS for Winstanley and York Road

28. An options appraisal was undertaken to test four broad options for different legal and commercial structures for contracting with private partners to work with the Council to deliver the regeneration scheme. These were as follows:

Option 1

A conditional land sale or series of sales with the requirement to deliver to the Council completed social rent and leaseholder replacement housing.

Option 2

Council-led funding of contracted works for social housing elements and community facilities through the HRA. Sale and development process controlled via a development agreement.

Option 3

Council-led funding of contracted works for social housing elements and community facilities through the HRA with the private housing element being delivered in a Joint Venture Partnership. The Council would form the Joint Venture Partnership with a developer and would have a formal financial stake in the overall scheme with shared risk and reward.

Option 4

Council takes on responsibility for the entire scheme and acts as funder and master developer funded through HRA/GF. Fixed price construction contracts are let to contractors at construction profit margins.

29. The options were subject to rigorous appraisal and assessment by the Council's consultant teams (legal, property and finance consultancy) and relevant senior managers in Housing, Finance and Property Services against the following criteria. The weightings applied are shown in brackets:
- (i) **Financial viability/Return (2)**
- The financial viability of the preferred option was assessed and the level of return compared. The assessment included a consideration of how secure viability is and what needs to change to make an option viable (particularly if other options cannot be made to work). It should be noted here that financial viability and "return" could take a number of forms including maximising delivery of objectives (e.g. to provide the maximum level of resident housing offers), assuring contingency is available to sustain development over economic and market cycles and maintain overall viability of the Council's financial and business planning position.
- (ii) **Risk (2)**
- This assessed the level of risk to the Council. This included financial risk and other risks e.g. reputational/delivery. The lower the risk the higher the score.
- (iii) **Level of Council Control (1)**
- This assessed the level of control the Council has above and beyond its normal statutory controls e.g. planning, highways. It assessed the degree to which the Council could control the speed of delivery, how the Council can control changes that arise due to outside influences as the scheme progresses (e.g. changes in the market), how the Council can ensure delivery in line with the master plan objectives.
30. Given the location, obvious development potential of the site and the Council's ability to invest, the favoured option was to engage the market with the intention of creating a JV partnership for delivery of the private elements of the scheme with Council led delivery of social housing elements (Option 3). The scoring assessment of options made by Officers and the consultant team are set out in [Appendix 5](#).
31. In summary it is considered that Option 3 offers the best combination of levels of control of the developing scheme and levels of risk set against potential return. Whilst option 4 offered the highest potential level of control and return, this option results in the Council taking all the risk on delivery of the scheme and responsibility for maximising the benefit from the scheme. There were concerns about the level of risk being unacceptably high and the need for the Council to secure as identified the expertise and experience to assist in the delivery a scheme of this complexity (with private and Council elements), scale and length.

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32. Options 1 and 2 both to differing degrees involve passing much of the risk and control of delivery across to the chosen developer. However, as a result the potential to benefit long term from the scheme is also lost as the developer will expect that their share of return and profit will reflect the greater risk that they take. Furthermore, if the developer is taking the lions share of risk they will require a high level of control over the development in order to enable them to take action to minimise that risk as the project progresses. This means that the Council's objectives may not be delivered as fully or as quickly as they might under Option 3 where the Council has a greater degree of control. Option 1 in particular offers little control beyond planning powers over the development as it proceeds. The option potentially avoids an OJEU procurement process but there will be significant on-going risks attached to this particularly if sold as "one site" for regeneration and development. Firstly, it would be more difficult for the Council to secure and sustain delivery and secondly the Council would be limited in what it could specify to be delivered given that detailed specification could be construed as some form of "works contract".
33. Option 3 enables the Council to exercise a high level of long term influence and control over the project as the Council will be taking a long term active role in the development. A higher level of control is possible given the Council's potential to front fund certain elements of this regeneration from HRA resources and borrowing potential. It is not always the case that Councils find themselves in such an advantageous position relative to a private sector partner. In return for this the Council will benefit from a share of the long term profits from the scheme. How the Council then seeks to utilise this benefit could be in a number of ways. However, the main focus would be on securing the objectives set out for the scheme and in particular maximising resident housing offers and building a sense of place and a successful neighbourhood and also ensuring the financial viability of the Council's other plans including securing the improvement of the other aspiration area, Alton.
34. In involving itself in a joint venture development the Council will be increasing its exposure to risk. However, in Option 3 this is considered to be controlled in two ways. Firstly by engaging in a long term joint venture partnership with a development partner the Council will be able to benefit from the expertise and commercial experience of that partner in delivering schemes of this kind. Both parties will be subject to the risks and will share the motivation to tackle them. Secondly, the level of development partner interest in the Winstanley York Road scheme and relative high level of potential value in the Battersea area is considered to reduce the level of risk of new development in this area and provide a significant potential return. This was demonstrated by the soft market testing exercise which clearly demonstrated a great deal of developer and investor confidence in being involved in this regeneration.
35. The scheme property advisors GVA have advised that, 'The recommended Joint Venture Partnership approach is now a normal means of delivering appropriate development through the utilisation of public sector assets. There is a growing expertise across the public, consultancy and development sectors on making these types of structures work effectively and efficiently. It is no longer the case of settling upon a 'one size fits all' approach- a bespoke structure can be readily established that addresses the particular circumstance around Winstanley/ York Rd.'
36. Consequently the report recommends that for Winstanley and York Road, the Council commence a procurement process to select a development partner to participate in a

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Joint Venture Partnership with the Council in order to deliver the Winstanley and York Road regeneration scheme.

37. Given the size and complexity of the proposed contract, the advice from the Council's legal advisors is that this would need to be an OJEU compliant process which is likely to take in the region of 15 months, including time to prepare the relevant documents, to fully complete. Whilst this may be seen as an onerous process it is of crucial importance to be able to robustly and fully demonstrate and document that an open and competitive process was undertaken. This will avoid a continuing risk of legal challenge to the Council's procurement process hampering the ability to deliver in the future. There are a documented number of steps that must be followed in order to create this confidence in the process and these are set out in the Appendix 6 timetable. The decision to undertake this public procurement is taken under the powers contained within Appendix 7 to this report. Officers are satisfied that the Council has the powers to deliver this regeneration and has had and will continue to have proper regard to them.
38. The Council will need to prepare a detailed suite of documents for the procurement, including a detailed brief that will include the Planning Parameters Document and the preferred option. This report recommends that this suite of documents is now prepared by Officers and approval of the final draft of the documents is delegated to the Director of Finance, the Head of Property Services and the Director of Housing and Community Services in consultation with Lead Members. The target date for commencement of the procurement process would be April 2015.
39. In undertaking this process Governance arrangements will be put in place to allow for proper oversight and scrutiny of the procurement process, delivery and engagement with local residents. These processes will be established ensuring that the strict rules of procurement, probity and commercial confidentiality required within the public procurement regulations are met and not compromised. Key aspects of the process will be:
- (a) A Key Group of lead Officers, chaired by the Director of Housing and Community Services, identified to take forward the procurement process to include the Head of Property Services, Head of Service Finance and Assistant Director of Housing Strategy and Development. The Regeneration Project Manager will also be part of the Team and include as required officers from procurement and legal services;
 - (b) Expert legal, property, financial and cost consultancy advice will be secured with any advice sought and decisions taken being documented;
 - (c) Key decisions delegated to Directors will be set out in reports which identify all pertinent matters that will need to be considered;
 - (d) Whilst there are likely to be matters that will need to be decided in accordance with the Council's Standing Orders and relevant Codes, it is proposed that a Steering Group of lead members be established. This lead group will be chaired by the Leader of the Council, whose remit includes Strategic Leadership and Regeneration, with membership subject to further discussion between the Majority Group and Opposition but including lead members and

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ward councillors with lead officers attending to provide information, advice and assistance. Meetings will be serviced by the Administration Department's Committee Services. Terms of Reference will be agreed at their first meeting. It is envisaged that meetings will be held approximately four times each year and that meetings will normally be held at the Town Hall;

- (e) Resident involvement arrangements will be further developed, reviewed and formalised to ensure there is appropriate involvement in the process as can be allowed under the applicable regulations ;
- (f) Contact and liaison with prospective development partners will also be logged and any resulting responses to queries will be shared with those seeking to bid; and
- (g) A further report on progress will be submitted to committee in June 2015.

40. The past track record of public/private joint venture partnership arrangements has been variable. This has in part been down to the changing circumstances faced by such JVCs that tend to straddle economic cycles and the form and clarity of what can and needs to be achieved. In this respect and as identified the Council finds itself in a relatively strong position given the land it owns and the investment potential available to it. However, it is acknowledged that the arrangement that officers are proposing here has its particular challenges. It is intended that the competitive public procurement process presents an opportunity to address and resolve some of these potential issues with partners. This approach is one supported by the Council's expert consultant advisors and will give officers and its advisors the opportunity to properly establish the terms of any JV arrangement. An arrangement which must protect the Council, deliver, provide the right level of control and ensure that the arrangement is transparent and that profit due to the Council is received in like and kind.
41. It is clear that in order to deliver the scheme the Council will need to be able to secure vacant possession of the land in question. The intention is to secure this through negotiation however the Council will need to signal that it is prepared to use Compulsory Purchase Powers as a last resort if required.

PHASING AND ENABLING THE DEVELOPMENT

42. The development will need to be phased in order to meet the Council's aim to minimise the use of temporary accommodation while new development is undertaken. The Council has committed to re-housing all Council tenants within the scheme according to their need and to providing an opportunity to all resident owners to purchase a property within the scheme.

Understanding tenants' needs

43. As a first stage to understanding the re-housing requirements that will need to be accommodated, the Council undertook a survey of Council tenants potentially affected by the scheme over the summer of 2014. This consisted of the offer of a meeting with all Council tenanted households to understand their housing needs and to explore their priorities for their future housing. Interviews have been held with 492

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out of 530 tenants so far. Although the profile of need will change as time passes, the results do provide the Council with a clearer picture of the re-housing task and allows for the developing phasing plan to be more accurately targeted.

44. The results are summarised at Appendix 8. Each tenant who participated will be sent a letter confirming their assessed housing need based on their current situation together with advice on how to keep the Council up to date should circumstances change. This report also proposes that additional capacity is identified in order that the Council can provide the advice and assistance to households that is necessary and needed to reassure, on an on-going basis identify rehousing requirements and support needs and to assist with moves either as part of the requirement to decant households or as part of arranging early moves for some households where these can be facilitated and/or where they are necessary.

New Housing on Enabling Sites

45. Paper No. 14-158, explained that the Council would identify sites within the Battersea area which have the potential to be used to provide new housing which could contribute to securing re-housing for residents within the identified first phase. This would be new build housing for Council residents. Any secure council tenants in the early phases who agree to move to a purpose built new property will be offered the opportunity to move back to a new property within the current estate area should they wish to do so or take the accommodation up as their permanent home.
46. Four sites have been identified as offering the potential for this purpose. Discussions will be held with Winstanley/York Road estate residents concerning the sites and with residents adjoining the identified sites. The sites are as follows:
- (i) Tyneham Close
 - (ii) Lavender Hill
 - (iii) Gideon Road
 - (iv) Rowditch Lane
47. This report also sets out the rationale for the closure of Battersea Sports Centre, the reprovision of facilities currently provided there and in turn the potential for this site when it is released to provide residential development which could assist with the decant needs from the Winstanley and York Road regeneration.
48. Levitt Bernstein have conducted capacity studies on these sites and have identified a potential for providing approximately 170 new build residential units. Plans identifying the sites are attached in Appendix 3A.
49. The Grant Road car parks within the regeneration area also offer a potential opportunity for early delivery of new housing. Initial concept designs have been produced and capacity estimates undertaken. However, further detailed design and costing work is required before it is certain that these sites could be viably developed for new build housing for local residents needing to move in the next 3-5 years. This site could produce in the region of 45 to 55 residential units (depending on the size of accommodation required). The sites are currently used for open car parking and a number of garages and there are no residents that would require relocating in order to develop these sites. The Council would also consult with local residents adjoining

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these car parks as environmental and amenity space improvements could be delivered as part of this development. This would include what community uses that could either be developed or improved including better play and sport facilities for younger people living in the area.

50. The Council would also wish to explore accommodation and development options for the Sendall Road car park site for a form of local resident use private and low cost market rent housing. It believes that such an exemplar model of flexible market housing would provide a template for future development and be a tenure model that fits in with the early delivery of innovative forms of housing as part of the Housing Zone proposals that the Council has developed with the GLA. The outline plans for these sites are attached within the preferred option document at Appendix 1.
51. The Council intends subject to costing and viability studies to commence consultation with estate residents concerning the suitability of these sites for re-housing of residents and consultation with residents adjoining the sites. Depending on the results of these studies, it is possible that these sites may not be included within the partner procurement process. If this is the case then in order to ensure their early delivery, Officers will seek to secure planning permission for development with the intention that these sites are taken forward for development by the Council. The planning and consultation processes will also need to identify the mix of tenures on these sites such that they provide sufficient properties for re-housing residents in the first phase of the regeneration scheme but also produce a sustainable mix appropriate for their location. The intention is that a further report will be submitted to committee for approval for the Council to develop these sites as a contribution to initial implementation of the regeneration scheme.

Securing the first phase

52. It is considered that the development proposals set out above if taken forward combined with measures to buy out residents who wish to leave and tenants identified as expressing a desire to move elsewhere will be sufficient to secure a substantial degree of vacant possession which can comprise a significant first phase of development for the scheme. Whilst this is the case the Council will also consider what decant requirements might need to be factored into the Council's Resources and Commitments report for the allocation of social housing that will come forward for consideration in June 2015. Whilst the commitment to house "on site" will remain there will be households who want to move before and this option is one that will be explored further. This is likely to be a particular factor that needs to be considered for older social tenants and indeed leaseholders who might wish to move and indeed downsize.

Buying back leasehold and freehold interests

53. Paper No. 14-158, agreed a fund to buy back some properties within the regeneration area at market value. These purchases were restricted to exceptional situations where an urgent sale was required. These were described as; financial hardship, a requirement to move to secure or retain employment, probate and marital or long term relationship breakdown. These categories were extended in Paper No. 14-318 to include situations of ill health.

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54. Since the project has now progressed further and it is proposed to commence the procurement of a developer partner for the scheme, this report recommends that the Council should now offer to buy back any owners of residential properties which are identified as required for development within the preferred option. The current affected properties are listed in Appendix 12. Further to this, since the proposals are now moving closer to implementation, it is considered reasonable that in these circumstances the Council should now offer to purchase these properties on the terms outlined in the resident commitments as if the Council were effectively moving to designate areas for development (see Appendix 9B). That is to offer to pay market value plus 10% for resident owners (market value plus 7.5% for non-resident owners) and to pay for reasonable incidental costs associated with the sale. A recommendation to authorise purchase is therefore made as part of this report with budget variations of £9.5 million in 2015/16 and 2016/17 being recommended for approval. The budget is sufficient to acquire a significant minority of leaseholders interest and makes assumptions about the take up rate for voluntary acquisitions and will be reviewed in light of experience and the number of leaseholders who opt to buy into the new scheme.
55. The commencement of the voluntary buying back of residential leasehold and freehold interests has two important benefits. Firstly, this will allow existing owners who wish to be bought out to do so now and provides a re-assurance to them that the Council's regeneration proposals will not result in them being unable to sell their property interest. Secondly, the undertaking of this process at this point will greatly increase the confidence and comfort of potential developer partner bidders that the Council is committed to the scheme and committed to moving ahead swiftly. This is likely to generate greater interest and confidence in the process from the private sector and increase the opportunity for the Council to negotiate the optimum terms in any contract to the benefit both of the Council and local residents.
56. It is considered that early acquisitions represent value for money despite the CPO premium being paid as the units will be available for temporary accommodation uses pending demolition and early acquisitions will be cheaper in the long run on the assumption that house prices in the local area are likely to continue to increase. Such increases are a relevant consideration in taking these early buy back decisions in that the Council will continue to be obliged to purchase accommodation at prices assuming there is a "no scheme world".
57. The Council has taken legal advice to assure itself that its actions are reasonable, in the best interests of its local Council residents and leaseholders and does not lay it open to any claim of detrimentally damaging the leaseholder position. Whilst claims on occasion can be made against a council relating to statutory blight these are not pertinent to the Council's plans set out here given that this is a technical matter and actions here are not of the kind that would lead to a successful claim.
58. It is important that the Council is able to demonstrate a consistent and open approach to assessing market values in order to retain public trust. Hence the Head of Property Services will commission a quarterly valuation market report. This is independently commissioned for the Council on the regeneration area and on the wider Battersea area. This should enable the Council to understand if there is an impact being had on values within the regeneration area, separate from general trends in the local property market and if there is a need to adjust valuations to reflect the real local market value

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(that would be achieved in a “no scheme world”). This report would be produced by an external firm of valuers with experience of the local market and the intention would be to publish the report so residents and their advisors have direct access to the information.

59. The Council has committed to funding the reasonable costs for leaseholders to obtain valuation and legal advice as part of any sale agreement. To further increase local confidence it is proposed to procure two framework panels (one for legal and one for valuation advice) to enable local residents easy access to local quality-checked advice in these two specialisms.
60. Another option that Officers will pursue will be identifying opportunities for lease swaps for owners, using other Council owned properties. This option may be an affordable option for some owners who are unable or do not wish, to take up the offer of a new dwelling in the scheme but do want to remain within the Borough. Officers will continue to offer this option where appropriate properties can be identified taking into account the benefit arising from compensation costs that will also be due. Agreement to undertake such swaps will work on a fully transparent basis and will be agreed by the Director of Housing and Community Services on the recommendation of the Head of Property Services and the Head of Housing Strategy Development.
61. Where the Right to Buy has been recently taken any discount clawback requirements will be strictly adhered to and deducted from any compensation or rehousing payment.

Allocations

62. In line with expanding the criteria for buying leasehold and freehold interests as explained above, the Council will use the information gathered from the tenants survey and other feedback from tenants to develop a decant strategy for tenants and this will be reported to a future committee cycle. The survey has revealed a number of tenants who for a variety of reasons – age and health being two of the most prevalent – would want to move now. The Council is aware that developing regeneration plans over a long period can create stress, particularly for more vulnerable tenants. Until the full decant strategy is developed where such cases are identified the Council will endeavour to explore the possibility for priority exceptional case moves.

Management and Environmental Improvements

63. In order to ensure that effective management of the area is maintained throughout the regeneration period, estate management of both estates is now being transferred to the responsibility of Eastern Team, rather than being managed across two teams.
64. Additionally, it is proposed that over the next nine months the Council will consult with local residents on environmental improvements that can take place both in areas where replacement of housing is not planned and where “meanwhile” improvements will enhance the general environment. A particular focus will be on amenity space improvements, play area upgrades and plans that might benefit and enhance safety, security and permeability. These works would be additional to block improvements currently being planned and taken forward and temporary improvements to Pennethorne Square that have been approved and have commenced at the start of

the year.

Providing for Community organisations

65. There are four key community organisations with freehold or long-leasehold interests within the regeneration area. These have been previously identified as; Battersea Baptist Chapel, Church of the Nazarene, Providence House and Thames Christian College. Discussions have been held with the four organisations in order to begin to understand how they could be retained within the area, whilst allowing for the scheme to proceed. There are other land interests within the area but these four have been identified as having long term land interests and offering services to the local community which should be considered for retention at this stage. Other land interests will be given similar reasonable consideration as they are identified.
66. The Council would be obliged to pay compensation based on the CPO Code to these owners in the event they were acquired and is under no statutory obligation to re-house them in the area. However, given the benefits these organisations bring to the wider community and the costs of CPO it is considered every effort should be made to accommodate them within the regeneration area. The cost and value of their alternative premises cannot exceed the maximum payment they would have received via CPO but it is considered there is sufficient scope to re-provide their accommodation requirements within the overall delivery of the regeneration plans for the area both in financial and in turn site terms. Clearly if any organisation wishes to relocate outside of the regeneration area this is an option that the Council would also wish to pursue. A recommendation is made in respect to beginning to negotiate and agree terms with those interests within the Scheme Area with leasehold and freehold interests for either re-provision or compensation.
67. The preferred option identifies possible sites within the area for locating the Thames Christian College and Battersea Baptist Church which both parties have indicated could in principle be acceptable to them.
68. The Thames Christian College have a business requirement to expand their capacity and have previously developed an expansion plan for their existing site in Pennethorne Square. This has been put on hold while the regeneration options were drawn up. However, they would wish to proceed with the development as soon as possible in order to implement their expansion plans and they do not favour the option of waiting until a development partner is selected. It is recommended that the Council explores the option of offering them a site ahead of the completion of partner selection and that more detailed legal and in particular land value and financial negotiations are commenced with them to assess whether this could be an acceptable way forward. Any site in the local area identified must not affect the overall integrity and potential of the regeneration with Council Officers hopeful that options can be identified that would be acceptable to the College. If outline terms can be agreed, recommendations for re-provision will be set out in the update report to be submitted to committee in June 2015.
69. The Church of the Nazarene have indicated that they wish to remain in their present location at Bramlands, close to Clapham Junction Station. The options here will need to be explored as the proposals for Bramlands are developed in more detail through the partner selection process with a partner once they are engaged.

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70. Providence House, wish to remain within the area, although they would wish to be located more within the residential areas in order to better serve the young people who reside there. The design of the new facility and proximity and type of neighbouring uses will be crucial in deciding the suitability of any new location. In particular, Providence and the Council will want to ensure that the new location minimises the potential for a conflict between their users and neighbouring residential occupiers. Thus while a range of potential sites have been considered there is not at this stage sufficient detail or certainty in the plans for this element to be concluded upon with further joint work required.
71. The next step for Battersea Baptist Church, Church of the Nazarene and Providence House will be for the Council to undertake detailed valuations of their interests and make an approach to them as to the principles under which an agreement can be structured.
72. The Council will offer to fund within reason initial independent legal and valuation advice for these organisations in order to assist them to participate productively in the forthcoming discussions. This is a matter that will be kept under review in order that the Council ensures that it is covering reasonable costs which provide the advice required to maintain the momentum in taking forward plans.
73. This report has considered in some detail the work that has been undertaken in terms of evolving a workable implementation strategy to deliver the required moves of residential occupiers of the site. There is also a requirement to develop a similar strategy for renewal of commercial/community and social uses and services in the area and for the maintenance of those uses through the change process. In this respect it is recommended that a report is produced in consultation with service providers in the area, including the organisations mentioned above but also services provided by the Council and the remainder of the public sector with a view to agreeing a change strategy for community and public services in the area at a future committee.

BATTERSEA SPORTS CENTRE, HOPE STREET, SW11

74. Battersea Sports Centre (BSC) is a former youth club which currently provides a four badminton court sports hall, small gym, dojo/dance studio, café area, treatment room, outdoor basketball court and an outdoor artificial grass pitch. It is an ageing facility and the centre over recent years has continued to reduce its subsidy, but still incurs a net deficit of £100,000 a year. In the meanwhile a number of alternative facilities and opportunities have been opened in the area, which are detailed below. It is proposed that the Sports Centre be closed in the autumn of this year. Whilst closure would remove this deficit, the Council is fully committed to developing facilities in the area to replace those facilities and activities that are hosted at the BSC. In particular when new sports and leisure facilities are developed as part of the new library, community and leisure facility in York Gardens included within the preferred option for development but also in the meanwhile before these new facilities are developed.
75. In respect of alternative provision, a new independent 'super' youth club Caius House (SW11) has re-opened following total refurbishment as part of a major residential development. This facility now provides a brand new 4-badminton court sports hall,

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gym and dance studio amongst other facilities and is sited within half a mile of Battersea Sports Centre.

76. The new St. John Bosco (RC) Secondary School on the former Salesian School site in Battersea, SW11, which is a mile away from Battersea Sport Centre is also under construction. This is due to open in September 2015 and will provide a new four-badminton court sports hall and floodlit multi-use games areas for school and community use.
77. The Council also provides other sports and leisure facilities within the vicinity of BSC which provide alternative facilities these include Latchmere Leisure Centre, SW11, one mile away, Wandle Recreation Centre, SW18 (Southfields) one and a half miles away and also Battersea Park Millennium Arena and All Weather Pitches (Queenstown) also one and half miles away.
78. It is also further proposed in this report to provide a new “3rd generation” artificial grass pitch in Falcon Park, (at the southern end), subject to consultation, following local community interest having been expressed in such a facility. This would also be a mile from BSC. The Council has made provision to fund up to £1.3m of the cost of this scheme which is the estimated cost. This funding has been agreed to this level in order to enable the implementation of the project to commence now. There is however potential for raising substantial match funding for this project and various avenues are and will continue to be explored including funding from the Football Foundation, Housing Zone and local football clubs. In the meanwhile it is proposed that the Head of Property Services will appoint the Design Service to prepare detailed costings and feasibility reports and to procure and manage the construction of the facility.
79. As part of the Aspirations programme for the Winstanley/York Road regeneration programme, young people and stakeholders have been consulted through a Community Health Environment Scan Survey (CHESS) which aims to help increase physical activity amongst 14 – 25 year olds. An interim report on the findings will be available at the end of the month and includes, site surveys, supply and demand analysis and a communication strategy.
80. Whilst plans then are being settled for reprovision and arrangements made for local priority groups to access the new facilities it is proposed that the Battersea Sports Centre site be kept open. As a result the recommended date for closure is currently being kept relatively flexible as during autumn 2015 to enable these arrangements to be further developed.

Use of BSC site for housing

81. If proposals are agreed for the closure of Battersea Sports Centre, the site will become available for an alternative use. The Council must identify local sites that can be used to provide alternative new build housing to re-house residents from the first phase of the Winstanley and York Road scheme. Release of this site provides an opportunity to allow for re-housing of Winstanley and York Road residents as part of the first phases of the regeneration either on a permanent or temporary basis. As explained in paragraphs 45-51, the intention is that the Council would undertake feasibility studies to identify the suitability of this site to provide such housing bringing

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forward plans as soon as is practicable.

82. Without sites such as this one being identified, it is likely that temporary arrangements to decant would need to be considered which would have negative consequences for Wandsworth residents both living on the Winstanley and York Road Estates (they would need to move twice from their current homes to temporary accommodation and then back to the new housing built) and those waiting for housing on the Council's Housing Register (the Council would need to utilise its own stock as temporary housing, meaning that this stock would not be available to meet identified housing needs).

DEVELOPMENT OF THE RESIDENTS' OFFER

83. The development of the offer to potentially affected residents has been reported to various previous committees. In October 2014, the Council issued consolidated booklets to all tenants and owners setting out the Council's offer to residents. See Appendices 9A and 9B. This is not the finalised offer to residents and further detailed matters will require to be negotiated with tenants and owners as the scheme moves through the partner procurement stage. Particular issues raised by residents in engagement sessions include: whether there will be an impact on rent levels for tenants, service charge levels for resident owners who buy back into the scheme and impact on Council tax for resident owners who buy back into the scheme.
84. Certainly in relation to rents the commitment is a clear one and that is that social renters will be rehoused on the social rents that they are being charged at the time of rehousing depending of course on a similar size of property being offered etc. However, members must be mindful that the Rent Policy adopted in November 2014 means that all rents will move progressively to the formula rent for the property occupied and this will continue to be the case for Council tenants moving as part of the regeneration plans set out here. Additionally, such rents will be inclusive of service charges again as agreed as part of the new Rent Policy adopted in November 2014. Clearly, commitments regarding leaseholder service charges are more difficult to guarantee as these are predicated on the actual cost of services provided. However, the Council in taking forward plans can make commitments in terms of location, build and design which minimise the levels of service charges as far as possible.

REGENERATION TEAM AND CONSULTANT SUPPORT

85. On 3rd March 2014, the Executive approved (Paper No. 14-158) funding for on-going consultancy support and advice for the project. Grant Thornton have been selected to provide on-going finance/tax advice and Pinsent Masons to provide legal advice. The procurement process for cost/consultancy advice is proceeding currently.
86. A fixed price contract for further commercial property and design advice was agreed in order to take the scheme forward as agreed in Paper No. 14-158 and this contract has now largely been completed. There is now a need to procure additional property and commercial advice and project support to take the project through the procurement process, advise the Council on the commerciality of proposals and assist with negotiating and understanding the economic drivers for the project and this is on-going now. As identified the negotiation, procurement and establishment of

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a robust and effective JV arrangement will require consistent, ongoing and expert advice. It is therefore proposed that expert advice is procured to assist with this process over the next three years as required by the Director of Housing and Community Services in consultation with the Director of Finance. The work will be commissioned using the HCA Consultant Technical Panel – Property Framework. It is estimated that the cost will be in the region of £400,000 and will be met from existing approved HRA capital budgets. There will be a need to commission additional design advice and support to produce the Design Codes for the scheme.

87. The Housing and Community Services Department's Estate Regeneration Team currently comprises the following posts:
- 1x Project Manager (PO8) (Temporary Post
2x Project Officers (PO4); and
1x Project Assistant (PO2).
88. For the next stage of project implementation the level and complexity of work can be expected to increase further. As well as managing the public procurement itself there will be a substantial increase in the requirement for work with local residents ensuring they are engaged with the process going forward and tackling a growing requirement for providing help, advice and re-assurance on re-housing issues.
89. Since the project is now moving forward the following actions are recommended in order to continue to support the project:
- (i) Make the temporary post of Project Manager permanent. ;
 - (ii) Make provision from existing approved resources to secure onsite/team consultancy support to ensure that the Regeneration Team itself has the expertise and capacity to hand to manage the procurement and other delivery arrangements;
 - (iii) The Team would also expect to call on the capacity and expertise of a number of teams across the Council (e.g. to define leisure facility capacity requirements, to provide social care assessments, to provide decant advice and assistance) which as set out above would be need to be accounted for and identified as scheme costs particularly where consultancy fees or additional capacity was required to meet the demands of this scheme.

EQUALITY IMPACT ASSESSMENT

90. The Equality Act 2010 requires that the Council when exercising its functions must have "due regard" to the need to eliminate discrimination, to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and to foster good relations between persons who share a relevant protected characteristic and persons who do not share it. As such an Equality Impact Assessment (EIA) has been undertaken on the proposal to close Battersea Sports Centre. This EIA is attached as Appendix 10A to this report.
91. This EIA has found that as the percentage of service users from BME backgrounds, aged between 0-19 and disabled service users is above the Borough average that the proposed closure will impact more on these groups of residents. In order to mitigate the impact a number of actions have been identified. These include:

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- (i) A number of locally provided alternatives have been identified and in order to ensure that the arrangements are in place for service users the date for closure is being kept relatively flexible as during autumn 2015. This is to enable plans for re-provision and arrangements for local priority groups to access new facilities to be agreed.
 - (ii) In addition in order that users of BSC are aware of the facilities they can access the Council will contact every Battersea Sports Centre user to explain what is happening and to help them transfer over to alternative facilities which suit their needs.
 - (iii) It is also proposed (subject to consultation) to provide a new "3rd generation" artificial grass pitch in Falcon Park.
92. A staffing Equality Impact Assessment (EIA) has been undertaken in regards to the closure of Battersea Sports Centre to ensure that the changes proposed are not to the detriment of any group of staff who share a protected characteristic under the Equality Act 2010. The findings of this assessment are attached as Appendix 10B. This EIA has found that the changes proposed in this report will not be to the detriment of any group of staff.
93. An EIA has been prepared for the remaining decisions on this report required for progressing the regeneration of the York Road and Winstanley Estates and is attached at Appendix 11.

LEGAL ISSUES

94. The Council is taking the decision to seek a development partner to enter a joint venture partnership arrangement to pursue the regeneration proposals for the Winstanley and York Road estates under powers contained within Appendix 7. These are the main powers which may be relied upon, but these will be kept under review as appropriate.
95. In taking this decision the Council has taken account of the following additional requirements and duties:

(i) **General Consideration of Council's Fiduciary Duty**

In deciding whether and how to exercise its powers in relation to this proposal, the Executive must consider the Council's fiduciary duty to conduct its administration in a fairly business-like manner with reasonable care, skill and caution along with a due and alert regard to the interest of the Council Tax payers. However it is in the Council's discretion to determine what the interests of the Council Tax payers are and how they are best served following its analysis of the relevant costs and benefits. This needs to be considered both generally and specifically to those who will directly gain or suffer from the proposal. This balancing exercise is for the Council to determine after having given due consideration to the appropriate weight to be afforded to the relevant factors. The key question is whether no reasonable authority could have concluded that it would seek to make arrangements on such terms as set out in this report having considered all relevant matters and disregarded all irrelevant matters.

(ii) Local Government Act 1999

As a best value authority the Council must make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. For the purpose of deciding how to fulfil the duty the Council must undertake consultations with representative groups. Details of some of the consultations undertaken in relation to this matter so far are outlined in this report.

(iii) Public Services (Social Value) Act 2012

This provides that the Council must consider how what is proposed to be procured might improve the economic, social and environmental well-being of the relevant area; and how in conducting the process of procurement, it might act with a view to securing that improvement. Details of these considerations in relation to the proposed procurements are outlined in this report and further consideration will be given to these matters in the preparation of the detailed procurement process and documentation for the joint venture developer procurement.

The procurements will be structured in accordance with Public Contracts Regulations 2006 or the replacement regulations depending upon when the procurement is commenced.

96. The Council's external legal advisors have also commented on the proposals within this report which reflects the legal advice received.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

97. The Head of Human Resources comments that, if agreed, the proposals would result in the creation of a permanent 1.0 FTE Project Manager post. . This post will be subject to evaluation using the Council's Job Evaluation Scheme.
98. The appropriate staff consultation and communication has taken place in accordance with the Council's Code of Practice for Managing Staffing Reorganisations.
99. The closure of Battersea Sports Centre will lead to 5 FTE posts and 9 casual staff being made redundant. Any member of staff who is not successful in securing an alternative post will be counselled in accordance with the Code of Practice on Managing Staffing Reorganisations. The five FTE posts proposed for deletion are as follows:-

<u>Post No</u>	<u>Job title</u>	
LY326	Battersea Sports Centre Manager	1FTE
LY327	Assistant Manager Battersea Sports Centre	1FTE
L5307A	Sports Assistant	0.5FTE
L5307	Sports Assistant	0.5FTE
L5308	Sports Assistant	1FTE
LSD26	Sports Assistant	1FTE

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100. The Staff Side have been consulted and any comments received from them will be reported to the Housing and Regeneration OSC and the Community Services OSC.

COMMENTS OF THE DIRECTOR OF FINANCE

101. The Director of Finance comments that the reports assessing the viability of both the Alton and the Winstanley and York Road regeneration schemes demonstrate that, under the current raft of assumptions used, both schemes are financially viable and that the Council is unlikely to require the exercising on a long term basis of the £100m borrowing headroom established within the HRA Business Plan in 2012. However, some short term borrowing may be required for cash flow purposes, although this will not be known until the procurement processes have been completed and more certainty can be attached to the cash flow projections. The split between the HRA and the General Fund will not be known until the procurement process in completed.
102. There are a number of interests in properties within the Winstanley and York Road regeneration area that need to be acquired before the scheme can progress. These will be purchased firstly through voluntary buy backs but may require the use of CPO powers. Based on the estimate of likely purchases concluded through voluntary buy backs it is now proposed to establish significant HRA capital budgets of £9.5 million per annum in both 2015/16 and 2016/17 in relation to this scheme for which positive budget variations are recommended for approval with any future budget requirements approved as part of the annual HRA capital bids process reported in January each year. Any additional consultant advice required and the permanent creation of the Project Manager post will be met initially from within existing approved capital budgets with future budget requirements approved as part of the annual HRA capital bids process as before.
103. The proposed closure of Battersea Sports Centre is on the basis that alternative facilities are being provided or being made available within the locality and will require approval of a negative General Fund revenue budget variation of £100,000 from 2016/17. Of the five permanent posts and casual appointments that are proposed for deletion it is anticipated that 14 post holders will be made redundant as a result of this closure. The cost of terminating employment of the staff concerned will range between £21,900 and £44,000 all of which relates to statutory redundancy payments and compensation for loss of office. The cost of severance will initially be charged to General Fund and met from within existing budgets. However, in the event of the service area being overspent, the costs will be met from the Service Transformation Fund.
104. The proposed re-provision of an artificial football pitch, with changing rooms and flood lighting in Falcon Park will require a general fund capital budget variation of £1.3 million which will be included in the capital bids report to the January FCROSC. It is anticipated that a significant proportion (up to 50%) will be funded from external resources. In order to reduce design time it is proposed that the Design Service be directly appointed to undertake the commissioning of this project.

CONCLUSIONS

105. This project is moving forward significantly. The proposal to commence procurement

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for a partner is an important milestone for the project and the competitive nature of the process should generate further improvements to the scheme as input is received from potential commercial development partners. The work undertaken over the past year to refine the preferred option, agree the Planning Parameters Document and agree the optimum structure under which the Council will involve partners will improve, assist and accelerate the procurement process by ensuring the Council is clear as to the scheme it wants to pursue and the objectives to be achieved.

106. The Council is now in a position to move forward also in terms of beginning to prepare for implementing specific elements of the scheme in order to ensure that progress in terms of building new housing is commenced as soon as is practically possible.
107. The moves to offer to buy back on enhanced terms and explore the needs of tenants in detail should assist in re-assuring local residents that their needs are being taken into account.

The Town Hall,
Wandsworth,
SW18 2PU.

BRIAN REILLY
Director of Housing and Community Services

13th January 2015

Background Papers

There are no background papers to this report.

All reports to Overview and Scrutiny Committees, regulatory and other committees, the Executive and the full Council can be viewed on the Council's website (www.wandsworth.gov.uk/moderngov) unless the report was published before May 2001, in which case the committee secretary; (Thayyiba Shaah, 020 8871 6039; email tshaah@wandsworth.gov.uk) can supply if required.

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